

May 30, 1991

LB 754
LR 200, 201

resolutions, Senator Landis offers LR 200. That will be laid over. And the Appropriations Committee offers LR 201. That, as well, will be laid over, and that is all that I have at this time, Mr. President. (See pages 2671-73 of the Legislative Journal.)

SPEAKER BAACK: Thank you, Mr. Clerk. Next speaker is Senator Chizek.

SENATOR CHIZEK: Mr. President and colleagues, would Senator Schmit yield, please.

SPEAKER BAACK: Senator Schmit, would you respond to a question, please?

SENATOR SCHMIT: Yes, Mr. President.

SENATOR CHIZEK: Senator Schmit, maybe this city boy doesn't understand everything that is going on in this conversation going back and forth. Maybe you can elaborate one more time. I am not sure how somebody involved with a government entity sells their right to bid. I am not sure, Senator, how...now you mentioned an additional \$3 million of cost, is that to the taxpayers, is that to the grain farmer? Explain that for this city boy one more time. I will give you my time.

SPEAKER BAACK: Senator Schmit.

SENATOR SCHMIT: Thank you, Senator Chizek. I will be glad to try. It wasn't until a short time ago that I learned of the existence of this compensation agreement, and I hope that you will read this compensation agreement. This compensation agreement was signed I believe on the 14th of May, 1990, about six weeks after the Legislature adjourned. At that time, the principals of the agreement knew that this Legislature had opened up the key and provided them the key to Fort Knox. They knew that there was a production credit for every gallon of oil...of ethanol that was produced at Hastings, and so Mr. Thompson, without any resources, didn't have any way to bid...didn't have any way to effectuate his bid. So, apparently, he approached Mr. Eihusen, and Mr. Eihusen negotiated with him for the rights to bid. Nebraska Integrated Ag Producers, the people who put the money into the pot, were one of those bidders. No one came to the Nebraska Integrated Ag Producers, nor did they go to any of the other bidders with whom